

Message Text

UNCLASSIFIED

PAGE 01 PORT A 01933 202133Z

55

ACTION ARA-10

INFO OCT-01 ISO-00 H-02 CIAE-00 INR-07 NSAE-00 PA-02

USIA-15 PRS-01 SP-02 AID-05 EB-07 SS-15 L-03 /070 W

----- 080519

R 202059Z JUL 76

FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 2521

UNCLAS PORT AU PRINCE 1933

EO 11652 N/A

TAGS: EFIN, EIND, HA

SUBJECT: PROPOSED RESPONSE TO TRANSLINEAR'S ALLEGATIONS OF
STATE/EMBASSY INACTION ON TORTUGA CONRRACT NEGOTIATIONS

1. THE EMBASSY NOTES THAT IN A JUNE 17 ABC TELEVISION PROGRAM, TRANSLINEAR OFFICIALS REPEATED ALLEGATIONS THAT THEY REQUESTED AND FAILED TO RECEIVE EMBASSY ASSISTANCE IN MAY/JUNE, 1975 WHEN THEY ENCOUNTERED AN EXTORTION THREAT DURING CONTRACT NEGOTIATIONS FOR A TORTUGA DEVELOPMENT PROJECT. THEY ATTRIBUTED FAILURE TO CONCLUDE A CONTRACT TO EMBASSY/STATE INACTION. SENATOR PROXMIRE, APPEARING ON SAME PROGRAM, MADE SIMILAR ALLEGATIONS.

2. THESE ALLEGATIONS ARE WITHOUT FOUNDATION, AND THE EMBASSY BELIEVES THAT THE RECORD SHOULD BE CORRECTED. SENATOR PROXIMIRE'S EFFORTS TO EXPOSE CORPORATE CORRUPTION MERIT OUR FULLEST COOPERATION AND THE EMBASSY RECOMMENDS THAT HE BE GIVEN ALL PERTINENT DOCUMENTS CONCERNING THE TRANSLINEAR IMBROGLIO. SOME OF THE DOCUMENTS WERE CLASSIFIED OR CONTROLLED TO PROTECT TRANSLINEAR'S INTERESTS DURING THE NEGOTIATIONS, BUT MAY BE DECLASSIFIED NOW.

3. THE EMBASSY RECOMMENDS THAT THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS PROVIDE SENATOR PROXIMIRE WITH A STATEMENT FOR THE RECORD ALONG THE FOLLOWING LINES:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PORT A 01933 202133Z

4. QUOTE DURING A TELEVISION PROGRAM JUNE 17, 1976, TRANSLINEAR OFFICIALS REPEATED ALLEGATIONS MADE BEFORE YOUR COMMITTEE IN MARCH THAT THEY REQUESTED AND FAILED TO RECEIVE ASSISTANCE FROM OUR EMBASSY IN PORT AU PRINCE IN MAY AND JUNE, 1975 WHEN, DURING NEGOTIATIONS TO SECURE A NEW TORTUGA DEVELOPMENT CONTRACT, THEY ENCOUNTERED AN EXTORTION ATTEMPT IN HAITI. THESE STATEMENTS ARE NOT IN ACCORD WITH THE FACTS, AND I SHOULD LIKE TO PROVIDE YOU WITH ADDITIONAL DOCUMENTARY MATERIALS IN ORDER TO CORRECT THE RECORD.

5. THE EMBASSY AND THE DEPARTMENT HAVE DEVOTED AN UNUSUAL AMOUNT OF TIME AND EFFORT TO TRANSLINEAR'S PROBLEMS. THE ATTACHED TELEGRAMS (PORT AU PRINCE 0595 AND 0534) PROVIDE INFORMATION ABOUT SOME OF THE EMBASSY'S EFFORTS ON TRANSLINEAR'S BEHALF.

6. ON MAY 7, 1975, TRANSLINEAR CHAIRMAN CROOK CALLED ON THE CHARGE TO REPORT AN ALLEGED EXTORTION ATTEMPT. A COPY OF THE CHARGE'S MEMORANDUM OF CONVERSATION IS ATTACHED. YOU WILL NOTE THAT MR CROOK ASKED THAT THE ALLEGED EXTORTION ATTEMPT BE MADE A MATTER OF INTERNAL RECORD ONLY. HE ACCEPTED THE JUDGMENT OF HIS HAITIAN ATTORNEY AND THE HAITIAN GOVERNMENT'S NEGOTIATOR, UNDER-SECRETARY BAYARD, THAT THE APPROACH WAS NOT AUTHORIZED AND THAT IT SHOULD BE IGNORED.

7. IN A TELEPHONE CONVERSATION WITH THE AMBASSADOR ON JUNE 5, 1975, MR CROOK STATED THAT PROSPECTS FOR SECURING A CONTRACT SEEMED BLEAK UNLESS THE COMPANY YIELDED TO THE ALLEGED BRIBERY DEMAND. NEVERTHELESS, HE REQUESTED NO EMBASSY ASSISTANCE AND DESCRIBED CONTINUING NEGOTIATIONS TO OBTAIN A CONTRACT. DURING JULY AND AUGUST, THE AMBASSADOR AND THE ECONOMIC OFFICER DISCUSSED THE TRANSLINEAR CASE WITH THE HAITIAN FINANCE MINISTER AND OTHER OFFICIALS AND, AS THEY HAD ON PREVIOUS OCCASIONS, STRONGLY URGED THE PROMPT CONCLUSION OF A VIABLE CONTRACT BY MUTUAL AGREEMENT. THE SITUATION WAS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PORT A 01933 202133Z

COMPLICATED BY THE DESPATCH OF A TRANSLINEAR CABLE JULY 16 TO PRESIDENT DUVALIER DESCRIBING THE ALLEGED EXTORTION ATTEMPT AND INVOKING SENATORIAL SUPPORT IN OBTAINING A CONTRACT. THE HAITIAN GOVERNMENT, ON OCTOBER 20, REJECTED SUCH ALLEGATIONS BUT INVITED TRANSLINEAR PRESIDENT CARDEN TO PURSUE NEGOTIATIONS FURTHER. MR CARDEN HELD DISCUSSIONS WITH HAITIAN GOVERNMENT OFFICIALS IN PORT AU PRINCE IN OCTOBER

AND NOVEMBER. THE EMBASSY DID NOT LEARN ABOUT THIS VISIT, OR ITS UNSUCCESSFUL OUTCOME, UNTIL TRANSLINEAR'S TESTIMONY BEFORE YOUR COMMITTEE IN MARCH, 1976. TRANSLINEAR HAD BEEN OUT OF TOUCH WITH THE EMBASSY FOR ABOUT SIX MONTHS BEFORE THOSE HEARINGS.

8. AS YOU KNOW, AN EMBASSY HAS NO BASIS FOR INTERVENING IN AN ONGOING NEGOTIATION BETWEEN AN AMERICAN CORPORATION AND A HOST GOVERNMENT UNLESS THE CORPORATION SPECIFICALLY REQUESTS IT TO DO SO AND PROVIDES THE DETAILS NECESSARY FOR A REPRESENTATION. TRANSLINEAR MADE NO SUCH REQUEST. HOWEVER, OVER A LONG PERIOD OF TIME THE EMBASSY HAD LENT ITS GOOD OFFICES AT HIGH LEVELS TO SUPPORT TRANSLINEAR'S EFFORTS TO CONCLUDE A CONTRACT, AND TRANSLINEAR REPRESENTATIVES HAD FREQUENTLY EXPRESSED THEIR RECOGNITION OF THIS SUPPORT.

9. THE TRANSLINEAR AFFAIR, WHICH CANNOT BE SEPARATED FROM THAT OF DUPONT CARIBBEAN, THE ORIGINAL AND ONLY PRIME CONTRACTOR ON THE TORTUGA PROJECT, HAS A COMPLEX HISTORY AND MANY DETAILS REMAIN UNCLEAR. IN RETROSPECT, IT APPEARS THAT TRANSLINEAR'S FAILURE TO OBTAIN A CONTRACT MAY HAVE BEEN CAUSED BY THE COMPANY'S RIGID NEGOTIATING TACTICS, FAILURE TO RESPECT HAITIAN CONSTITUTIONAL LAW AND NATIONAL SENSITIVITY ON MATTERS OF TERRITORIAL SOVEREIGNTY, AND INJUDICIOUS ATTEMPTS TO FORCE THE ISSUE BY EXERTING POLITICAL PRESSURE ON THE GOVERNMENT.

10. WHATEVER THE REASONS FOR THE BREAKDOWN OF THE CONTRACT NEGOTIATIONS, HOWEVER, REFUSAL OF THE EMBASSY AND THE DEPARTMENT OF STATE TO HELP TRANSLINEAR WAS NOT ONE OF THEM.

UNCLASSIFIED

UNCLASSIFIED

PAGE 04 PORT A 01933 202133Z

11. FOR YOUR INFORMATION, THE U.S. GOVERNMENT IS NOW EXAMINING THE LEGAL MERITS OF THE CLAIMS FOR COMPENSATION RECENTLY SUBMITTED TO THE HAITIAN GOVERNMENT BY TRANSLINEAR AND BY DUPONT CARIBBEAN AND WILL BE IN TOUCH WITH THE COMPANIES WHEN THAT EXAMINATION IS COMPLETED. END QUOTE

12. COPIES OF CHARGE'S MEMCON OF MAY 7, 1975 AND PORT AU PRINCE TELEGRAMS 0595 AND 9534 ARE AVAILABLE IN ARA/CAR.
ISHAM

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, CONTRACTS, ALLEGATIONS, EMBASSIES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976PORTA01933
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760279-0858
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760740/aaaabjhs.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: hackerp0
Review Comment: n/a
Review Content Flags:
Review Date: 19 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 APR 2004 by ThomasVJ>; APPROVED <31 JAN 2005 by hackerp0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED RESPONSE TO TRANSLINEAR'S ALLEGATIONS OF STATE/EMBASSY INACTION ON TORTUGA CONTRACT
NEGOTIATIONS
TAGS: EFIN, EIND, HA, TRANSLINEAR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006